

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 65th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: Chair Jeff Essmann, on March 29, 2017 at 8:00 AM, in Room 152 Capitol

ROLL CALL

Members Present:

Rep. Jeff Essmann, Chair (R)
Rep. Kelly Flynn, Vice Chair (R)
Rep. Tom Jacobson, Vice Chair (D)
Rep. Kim Abbott (D)
Rep. Becky Beard (R)
Rep. Mary Ann Dunwell (D)
Rep. Dave Fern (D)
Rep. Wylie Galt (R)
Rep. Jim Hamilton (D)
Rep. Adam Hertz (R)
Rep. George G. Kipp III (D)
Rep. Steve Lavin (R)
Rep. James O'Hara (R)
Rep. Alan Redfield (R)
Rep. Bridget Smith (D)
Rep. Tom Welch (R)
Rep. Kerry White (R)

Members Excused:

Rep. Zach Brown (D)
Rep. Ron Ehli (R)
Rep. Greg Hertz (R)

Members Absent: None

Staff Present: Margot Miltenberger, Committee Secretary
Megan Moore, Legislative Branch

Audio Committees: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

Committee Business Summary:

Hearing & Date Posted: HB 655, 3/24/2017; HJ 22, 3/27/2017; SB 94, 3/27/2017; SB 138, 3/27/2017; SB 324, 3/27/2017
Executive Action on: HB 615; HB 655; HB 420; HB 619; HB 598

00:01:06 Rep. G. Hertz joined the meeting
00:02:32 Rep. Z. Brown joined the meeting

HEARING ON SB 94

Opening Statement by Sponsor:

00:01:41 Sen. Keith Regier (R), SD 3, opened the hearing on SB 94, Provide property tax exemption for certain residential property.

[EXHIBIT\(tah65a01\)](#)

00:13:31 Recessed
00:17:01 Reconvened

00:17:04 Sen. K. Regier
[EXHIBIT\(tah65a02\)](#)

Proponents:

00:24:43 Marcia Sheffels, Self
[EXHIBIT\(tah65a03\)](#)

00:29:28 Duane Hartman, Self
00:32:47 Debbie Biolo, Self
[EXHIBIT\(tah65a04\)](#)
[EXHIBIT\(tah65a05\)](#)

00:43:53 Rep. Fern
00:47:10 Bob Story, Montana Taxpayers Association (Montax)

Opponents:

00:48:16 Director Mike Kadas, Department of Revenue (DOR)

Informational Witnesses: None

Questions from Committee Members and Responses:

00:53:13 Rep. Beard
00:55:01 Sen. K. Regier
00:55:35 Rep. Dunwell
00:58:07 Director Mike Kadas, DOR
00:58:21 Rep. Flynn
00:59:07 Sen. K. Regier
00:59:39 Rep. Z. Brown
01:00:15 Sen. K. Regier
01:00:40 Rep. Z. Brown
01:02:02 Director Mike Kadas, DOR
01:02:15 Rep. Jacobson
01:05:31 Debbie Biolo, Self
01:06:16 Rep. Hamilton
01:08:11 Director Mike Kadas, DOR
01:08:24 Rep. G. Hertz
01:11:59 Director Mike Kadas, DOR

01:12:29 Rep. Hamilton
01:13:49 Marcia Sheffels, Self
01:15:24 Rep. Flynn
01:15:58 Bob Story, Montax
01:17:50 Chair Essmann
01:19:54 Rep. Fern
01:21:09 Chair Essmann
01:23:33 Sen. K. Regier
01:24:11 Chair Essmann
01:26:24 Director Mike Kadas, DOR
01:26:54 Rep. G. Hertz
01:27:54 Director Mike Kadas, DOR

Closing by Sponsor:

01:28:14 Sen. K. Regier

HEARING ON SB 324**Opening Statement by Sponsor:**

01:30:07 Sen. Russel (Russ) Tempel (R), SD 14, opened the hearing on SB 324, Revise property tax exemption laws.

01:31:14 Chair Essmann relinquished the chair to Vice Chair Flynn

Proponents: None

Opponents: None

Informational Witnesses:

01:36:06 Rocky Haralson, Department of Revenue (DOR)

Questions from Committee Members and Responses:

01:36:29 Rep. Hamilton
01:37:20 Sen. Tempel
01:37:31 Rep. Jacobson
01:39:45 Sen. Tempel
01:40:15 Rep. Hamilton
01:43:03 Sen. Tempel
01:43:34 Megan Moore, Legislative Services Division (LSD)

Closing by Sponsor:

01:45:04 Sen. Tempel

HEARING ON HJ 22**Opening Statement by Sponsor:**

01:47:14 Rep. Jeff Essmann (R), HD 54, opened the hearing on HJ 22, Interim study on agricultural property valuation.

Proponents:

01:54:53 Nicole Rolf, Montana Farm Bureau Federation (MFBF)
01:57:30 Levi Ostberg, Montana Farmers Union (MFU)
01:58:34 Kori Anderson, Montana Stockgrowers Association (MSGA)
01:59:03 John Semple, Montana Grain Growers Association (MGGA)
01:59:44 Bob Story, Montana Taxpayers Association (Montax)
02:00:25 Director Mike Kadas, Department of Revenue (DOR)

Opponents: None

Informational Witnesses: None

Questions from Committee Members and Responses:

02:02:10 Rep. White
02:03:14 Rep. Essmann
02:03:54 Rep. White
02:05:30 Rocky Haralson, Department of Revenue (DOR)
02:05:59 Rep. Galt
02:09:23 Rep. Essmann
02:09:53 Rep. Beard
02:10:54 Rep. Essmann
02:11:35 Rep. Hamilton
02:12:18 Rep. Essmann

Closing by Sponsor:

02:13:37 Rep. Essmann

HEARING ON HB 655**Opening Statement by Sponsor:**

02:15:55 Rep. George Kipp (D), HD 15, opened the hearing on HB 655, Revising employment laws for affirmative action, hiring incentives for Indians.

Proponents: None

Opponents: None

Informational Witnesses: None

Questions from Committee Members and Responses:

02:23:14 Rep. A. Hertz
02:23:32 Rep. Kipp III
02:24:54 Rep. Fern
02:25:25 Rep. Kipp III
02:26:33 Rep. B. Smith
02:27:57 Rep. Kipp III
02:28:43 Rep. Dunwell
02:29:21 Rep. Kipp III
02:30:15 Rep. Redfield
02:32:07 Rep. Welch

02:32:20 Rep. Kipp III
02:32:37 Chair Essmann
02:33:06 Rep. Kipp III

Closing by Sponsor:

02:33:50 Rep. Kipp III

HEARING ON SB 138

Opening Statement by Sponsor:

02:42:17 Sen. Duane Ankney (R), SD 20, opened the hearing on SB 138, Revise income tax examination and collection laws.

Proponents:

02:44:25 Bridger Mahlum, Montana Chamber of Commerce (MCC), Montana Society of CPAs (MSCPA)

02:44:50 Dan Whyte, Department of Revenue (DOR)

EXHIBIT(tah65a06)

Opponents: None

Informational Witnesses: None

Questions from Committee Members and Responses: None

Closing by Sponsor:

02:47:50 Sen. Ankney

02:50:49 Recessed

03:32:00 Reconvened

EXECUTIVE ACTION ON HB 615

03:34:14 **Motion:** Rep. Flynn moved that **HB 615 BE TABLED.**

Discussion:

03:34:28 Megan Moore, LSD

03:34:57 **Vote:** Motion carried unanimously by voice vote. Rep. Ehli, Rep. G. Hertz and Rep. White voted by proxy.

EXECUTIVE ACTION ON HB 655

03:35:46 **Motion:** Rep. Kipp moved that **HB 655 DO PASS.**

03:36:05 **Motion:** Rep. A. Hertz moved that **HB 655 BE CONCEPTUALLY AMENDED TO STRIKE LINES 10-30 ON PAGE ONE, LINES 1-3 ON PAGE TWO, AND THE CHANGES ON LINE 25 ON PAGE 3 TO REMOVE AFFIRMATIVE ACTION PIECE AND MOVE FORWARD WITH TAX CREDIT PIECE.**

Discussion:

03:36:49 Chair Essmann
03:37:08 Rep. A. Hertz
03:38:12 Rep. Kipp III
03:39:03 Chair Essmann

03:39:47 **Vote:** Motion carried 12-8 by roll call vote with Rep. Abbott, Rep. Z. Brown, Rep. Dunwell, Rep. Fern, Rep. Hamilton, Rep. Jacobson, Rep. Kipp and Rep. B. Smith voting no. Rep. Ehli, Rep. G. Hertz and Rep. White voted by proxy.

03:41:14 **Motion:** Rep. Kipp moved that **HB 655 DO PASS AS AMENDED.**

Discussion:

03:41:28 Rep. Kipp III
03:42:00 Rep. Flynn
03:42:20 Rep. Fern
03:42:45 Rep. Abbott
03:42:52 Chair Essmann

03:43:22 **Vote:** Motion carried unanimously by voice vote. Rep. Ehli, Rep. G. Hertz and Rep. White voted by proxy.

EXECUTIVE ACTION ON HB 420

03:43:59 **Motion:** Rep. Jacobson moved that **HB 420 BE REMOVED FROM TABLE.**

Discussion:

03:44:09 Megan Moore, LSD
03:44:53 Rep. Jacobson

03:45:35 **Vote:** Motion failed 8-9 by roll call vote with Rep. Abbott, Rep. Z. Brown, Rep. Dunwell, Rep. Fern, Rep. Hamilton, Rep. Jacobson, Rep. Kipp and Rep. B. Smith voting aye. Rep. Ehli, Rep. G. Hertz and Rep. White were excused.

EXECUTIVE ACTION ON HB 619

03:46:18 **Motion:** Rep. Galt moved to **RECONSIDER ACTION** on **HB 619.**

Discussion:

03:46:46 Megan Moore, LSD
03:47:04 Rep. Jacobson
03:47:39 Rep. Fern
03:47:56 Rep. Redfield

03:48:20 **Vote:** Motion failed 10-10 by roll call vote with Rep. Beard, Rep. Ehli, Rep. Essmann, Rep. Galt, Rep. A. Hertz, Rep. G. Hertz, Rep. Lavin, Rep. O'Hara, Rep. Redfield and Rep. White voting aye. Rep. Ehli, Rep. G. Hertz and Rep. White voted by proxy.

EXECUTIVE ACTION ON HB 598

03:49:49 **Motion:** Rep. Hamilton moved that **HB 598 BE REMOVED FROM TABLE.**

Discussion:

03:50:01 Megan Moore, LSD

03:50:35 **Vote:** Motion carried 9-8 by roll call vote with Rep. Beard, Rep. Essmann, Rep. Flynn, Rep. Galt, Rep. Lavin, Rep. O'Hara, Rep. Redfield and Rep. Welch voting no. Rep. Ehli, Rep. G. Hertz and Rep. White were excused.

03:51:35 **Motion:** Rep. Hamilton moved that **HB 598 DO PASS.**

Discussion:

03:51:46 Rep. Hamilton

03:53:41 **Motion:** Rep. Hamilton moved that **HB 598 BE AMENDED.**

EXHIBIT(tah65a07)

Discussion:

03:54:20 Chair Essmann

03:54:32 Rep. Hamilton

03:57:19 Rep. Beard

03:57:30 Rep. Redfield

03:57:44 Rep. Jacobson

03:58:09 Rep. Fern

03:58:26 Rep. Hamilton

03:58:39 Rep. A. Hertz

03:59:12 Rep. Hamilton

03:59:31 **Vote:** Motion failed 9-11 by roll call vote with Rep. Abbott, Rep. Z. Brown, Rep. Dunwell, Rep. Fern, Rep. Hamilton, Rep. A. Hertz, Rep. Jacobson, Rep. Kipp and Rep. B. Smith voting aye. Rep. Ehli, Rep. G. Hertz and Rep. White voted by proxy.

04:00:56 **Vote:** Motion failed 8-12 by roll call vote with Rep. Abbott, Rep. Z. Brown, Rep. Dunwell, Rep. Fern, Rep. Hamilton, Rep. Jacobson, Rep. Kipp and Rep. B. Smith voting aye. Rep. Ehli, Rep. G. Hertz and Rep. White voted by proxy.

ADJOURNMENT

Adjournment: 04:03:50

Margot Miltenberger, Secretary

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Additional Documents:

EXHIBIT([tah65aad.pdf](#))